



Staff Report

RESOLUTION APPROVING A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES, AND SETTING THE DATE OF A PUBLIC HEARING ON THE MAXIMUM RATES CONTAINED THEREIN

Honorable Mayor and Council Members:

Summary

This report provides a summary of the negotiated Franchise Agreement with Recology of San Mateo County, Inc. along with staff's recommendation for approval of the Agreement. A resolution has been prepared for Council's action that will approve and authorize a ten year franchise agreement with Recology for recyclable materials, organic materials and solid waste collection services beginning effective January 1, 2011.

Background

The City Council has previously received policy reports on the Shoreway recycling facility, solid waste rates and Recology Franchise Agreement negotiations dated October 8, 2008, November 24, 2008, December 9, 2008, February 10, 2009, April 28, 2009, June 23, 2009, July 28, 2009, September 8, 2009, September 22, 2009, November 10, 2009 and March 23rd, 2010. Staff has also made monthly reports to the City Council Infrastructure Committee on the status of negotiations, including reports on November 4 and December 2, 2009. Since that time, staff and consultant have continued negotiations with Recology.

The provision of recycling and solid waste collection services in Belmont had not been competitively procured until the contractor selection process initiated by the South Bayside Waste Management Authority (SBWMA) in 2005 and the City's parallel RFP process in 2006/7. SBWMA's process to select a new service provider commenced in 2005 at a series of SBWMA related meetings. On October 26, 2006, the SBWMA Board approved the Collection Services RFP recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the RFP process. Subsequently, Belmont affirmed the SBWMA Board recommendations to the Member Agencies regarding future services, contract terms and the competitive procurement guidelines for the Collection Services RFP process and committed the City's participation in the SBWMA Collection Services RFP process.

On November 1, 2007 the SBWMA released the Collection Services RFP. Proposals for the new collection services were due on March 11, 2008 and the SBWMA received four responsive proposals from companies capable and qualified to provide the collection services described in the RFP.

The RFP prescribed a thorough process to evaluate the proposals using an Evaluation Team consisting of: SBWMA staff, the Monterey Regional Waste Management District Assistant General Manager, and a team of R3 consultants; and a Selection Committee comprised of SBWMA Board Members and/or Member Agency staff including Brian Ponty, City of Redwood City; Larry Patterson, City of San Mateo; Jim Hardy, City of Foster City; Peggy Jensen, County of San Mateo; Jesus Nava, City of Burlingame; and Kent Steffens, City of Menlo Park.

The Evaluation Team and Selection Committee members conducted a thorough analysis and evaluation of the four proposals. On August 28, 2008, the Selection Committee recommendation to select Recology as the future Collection Services provider was affirmed by a unanimous vote from the SBWMA Board of Directors.

The City also conducted its own independent RFP dated July 25, 2008 for these services. The City Infrastructure Committee, City staff and Consultants concluded that the proposal provided by Recology provided the best response to the City's RFP. All other SBWMA Members have now executed agreements with Recology.

In July of 2009, staff and consultant began discussions with Recology. Using the SBWMA model contract as a basis, staff worked with Recology to tailor that document to suit the needs of the City and its residents and businesses. A summary of the status of the negotiations was presented to Council on September 8th. Council provided direction to staff at that meeting relative to finalizing the Agreement. Subsequently, staff met with Recology to focus on the Council's direction and other outstanding issues.

On September 8, 2009, staff briefed the Council on the status of negotiations with Recology at that time. Council provided direction and staff continued negotiations with the Company. On November 4, 2009 staff briefed the Infrastructure Committee on the status of incorporating Council's direction into the Agreement and described rate setting options and the planned methodology for determining annual adjustments to the Maximum Rates. This update, along with the Infrastructure Committees Recommendations were presented to the Council on November 10, 2009. On December 2, 2009, the Infrastructure Committee was updated that the Maximum Rates were still being negotiated with Recology.

On March 23, 2010, the Council received an informational presentation on the status of the negotiations with Recology. Several issues were raised by the Council, which are addressed in this report.

New Franchise Agreement Business Terms-

The March 23, 2010 staff report and presentation on the status of the Franchise Agreement described the key issues of the Agreement. The following discussion summarizes the final Franchise Agreement and provides responses and where appropriate highlights changes to the Agreement, based on Council's direction. A subsequent section in this report addresses those specific matters raised by Council at the March 23rd meeting.

Summary of the Final Franchise Agreement-

The roll-out of new services included in the Franchise Agreement and the renovation of the Shoreway facility will allow Belmont to provide its residents and businesses a cost-effective and comprehensive array of new collection services that will result in reducing solid waste going to a landfill through a reliable, customer-friendly system designed to conveniently collect common recyclable materials such as cans/bottles, paper, plastics, cardboard, old cell phones, used household batteries, used motor oil and filters, and organic materials (including yard trimmings, food scraps and soiled paper). In addition, Recology will be required to collect all of the solid waste generated in the City, provide recycling and garbage collection services to City-sponsored community events, provide bulky goods pick ups; increase commercial recycling efforts; collect certain public right-of-way litter and recycling receptacles; picking up illegally dumped trash; and deliver compost to events for residents..

The Franchise Agreement for the new collection services that will be provided by Recology includes the following fundamental contract terms:

- The new contract will have a ten-year term commencing on January 1, 2011 upon expiration of the contract with the City's current service provider.
- The residential collection services will be "automated" thus providing a more cost-effective collection approach, ensuring higher productivity, reducing costs and resulting in significantly fewer injuries and claims related to handling recycling and refuse receptacles.
- Recycling in both the residential and commercial sectors will be substantially improved with the introduction of single-stream recycling, which is significantly more convenient, thus resulting in more diversion from landfill and an increased generation of valuable commodities at Shoreway.
- The public education and outreach campaign will be a collaborative effort between Recology and the SBWMA, thus resulting in Belmont reaping the benefits of cost efficiencies associated with developing a regional campaign in lieu of a stand-alone campaign which would be more costly.
- The contract includes extensive reporting requirements which will be a great improvement in the scope and timeliness of information shared between the collection company and Belmont
- The contract includes extensive performance incentives/disincentives and liquidated damages provisions to ensure that anticipated performance by the company is achieved, maintained and potentially exceeded.

- The method which allows the company to be compensated for the services it provides is significantly simpler and more predictable than the current system. The Agreement provides initial maximum rates that the company can charge its Belmont customers. The City will annually adjust those maximums in accordance with predetermined published indices.
- Should the future maximum rates generated through this process exceed those that would have been determined under the SBWMA rate review process, the City has the one-time right, from the fourth year (January 1, 2014) on, to switch back to the SBWMA program.
- To ensure that the rates accurately reflect the services provided once the new Franchise begins, based on each of the first and second years of Recology's service, the actual customer counts and levels of service will be reviewed and Maximum Rates will be adjusted accordingly.
- Language has been included in the Agreement to clarify the process to be followed in the event that the City Council does not approve the adjusted maximum rates calculated in accordance with the formula. This will entail reduction of services to fit within the Maximum Rates that are approved by the City Council.
- Approximately 38% of the company's rate covers operating costs other than labor and fuel. The parties (including SBWMA and the other member agencies) have agreed that the best index for use in the annual adjustment process is Consumer Price Index. We have reached a compromise position with the company wherein only 90% of the CPI change will be applied annually to this portion of the costs. This resolved the situation reported in the last staff report, where we had offered 80% and the company has requested 100%.
- SBWMA has organized a household hazardous waste program targeting single-family residences and apartments. The City is in the application process now for a May 1, 2010 start of this program. The recommended Maximum Rate Schedule incorporates a \$0.63/per month charge for single family homes and a \$0.28 per month per unit (whether occupied or not) charge for multi-family dwellings
- In December of 2009, San Mateo County approved a fee of \$2.81 per ton of municipal solid waste disposed. The \$2.81 fee is included in the 2011 Maximum Rates presented herein. However, it is not known whether this fee will be changed by the County between now and 2011. If so, some adjustment may become necessary.
- The Agreement allows the City to add a new City Service Payment at any time and in whatever amount it deems appropriate to deal with the Legacy Payment (or other solid waste related issues). This would cause a rate increase and the additional funds would be collected by Recology from Belmont customers and remitted to the City for use in satisfying the Legacy Obligation. We explored the possibility of utilizing up-front funding from Recology; however, staff determined that this was not economically attractive.

- There is no year-to-year “Balancing Account” and no payments due at the end of the 10-year term.

Changes to the Agreement Pursuant to Council Direction of March 23rd, 2010-

In addition to minor language clean-ups that have been worked through with the parties’ attorneys, staff worked with Recology to address Council direction received at the March 23rd meeting. Each issue is summarized as follows:

- Price differential for Commercial Carts. Council requested further information on why commercial cart service was more expensive than residential cart service for the same size. Staff discussed this with Recology, who provided the following response: “The rate for commercial cart service should be more than the rate for residential cart service because the cost to provide cart service to commercial customers is more than the cost to provide cart services to residential customers. While the cost of trucks, carts, disposal and labor rates are the same, the difference is in the time it takes to service a commercial customer vs. residential customers. Carts for residential customers are set out at the curb. Utilizing fully automated trucks, drivers travel from house to house and are able to provide service to approximately 1 home every 40 seconds. Carts for commercial customers are set out in a variety of locations. Utilizing semi-automated trucks, drivers travel to each business location, dismount from the truck, hook the cart up to the truck, dump and replace the cart to its location and remount the truck. They are able to provide service to approximately 1 business every 3.5 minutes. The rate for commercial cart service should be more than the rate for residential cart service because it takes more time on average to service commercial customers.”
- Commercial Cart Sizes. As requested by Council, an option for Commercial Customers to choose a 20-gallon cart has been added at a maximum rate 10% lower than the 32-gallon cart rate. This reduction primarily reflects the lower weight of MSW in the smaller cart, as the time required to service the small cart is the same as for larger carts. This will provide a lower level of service and cost option for the small businesses and those that recycle extensively.
- Multiple Commercial Recycling Collections per week. Council requested clarification as to whether Recology would provide more frequent collection of recyclables than MSW, if requested by a commercial customer, and if so, whether there would be an additional charge. The Agreement allows the commercial customer to select the level of service (up to seven times per week, without additional cost. Section 5.03 C (1) states that Commercial Customers that subscribe to Solid Waste Collection service shall be entitled to Collection of Targeted Recyclable Materials at no additional charge, and Contractor shall provide the level of service required by Commercial Customers requesting Recyclable Materials Collection services.

The level of service Contractor shall provide includes: Single-Stream Targeted Recyclable Materials Collection or Source Separated Collection of cardboard, mixed paper, food and recyclable beverage containers, or other Targeted Recyclable Materials in a manner that best suits the needs of the Commercial Customer. Contractor shall Collect Single-Stream Targeted Recyclable Materials or other Source Separated Recyclable Materials Generated at Commercial Premises at least once per week or more frequently, up to seven (7) times per week, as scheduled by the Customer.

- Continued Concern Regarding Start Times and Noise Issues. Council expressed continued concerns regarding the 3 AM start time for commercial customer pick-ups and asked if there were specific disincentives relating to problems in this area. While there are no specific disincentives listed in the contract relating to noise or start times, staff believes that this issue is adequately addressed. The Company is not allowed to begin residential collection before 6 AM. The disincentive program is run by SBWMA and covers all Member Agencies, so it would not be a Belmont specific program. Rather this contract restricts Recology from any collection activities at commercial establishments within 200 feet of residential properties, which effectively limits the areas where the 3 AM pick-ups can begin. Also the Agreement states that “The Agency may restrict or require modifications to hours for Collection from Commercial Premises and Agency Facilities to resolve noise Complaints, and, in such case, the Agency Manager may restrict the allowable operating hours.” Also, Recology is required to comply with the City’s Noise Ordinance, which could be modified if problems still occur. Finally, Recology is required to provide a 24-hour per day, 7 day per week telephone number to reach a route supervisor, if problems occur.

CEQA-

Adoption of the new Agreement will provide for an increased level of service in the City that could potentially have some environmental impacts related to traffic, noise, pollution etc. Such matters were discussed and analyzed in a 2008 Mitigated Negative Declaration (MND) for a Use Permit in San Carlos for the improvements to the Shoreway Recycling and Disposal Center. A legal opinion has been prepared by legal counsel to the SBWMA indicating that CEQA can be complied with as to action on the Franchise Agreements for Collection Services of the Member Agencies by referring to the MND as an adequate environmental document pursuant to CEQA and CEQA Guidelines for the purposes of analysis and consideration of a Franchise Agreement for Collection Services. CEQA language has been included in the Resolution approving the Franchise Agreement.

Legal Review-

The report, resolution, Franchise Agreement, and informal Proposition 218 process have been reviewed by the City’s special legal counsel, Mark Mandell, City Attorney, Marc Zafferano, and Deputy City Attorney, Kathleen Kane.

Next Steps-

Upon approval of the resolution attached to this report, staff will initiate the following actions:

1. Execute the Franchise Agreement
2. Begin the informal Proposition 218 process, including preparation and distribution of Notices through Allied Waste billing cycle
3. Hold the protest hearing on July 27, 2010
4. Coordinate recycling blitz with SBWMA
5. Recology to perform customer service level assessment, including distribution of new carts and refurbished commercial bins
6. Start new service on January 1, 2011

General Plan/Vision Statement

The City's state policy vision is to reduce the carbon footprint of the City and to generally adopt "best practices" environmental policies and practices. An entirely new collection vehicle fleet with clean burning fuel efficient engines will go a long way towards accomplishing this goal. In addition, this new franchise will significantly increase the recycling and landfill diversion rates within the City and the region as high tech automated equipment makes solid waste stream recycling more efficient and effective. Finally, Belmont will become an even better place to live and work as solid waste collection customer services improves and expands.

Fiscal Impact

The March 23rd, 2010 staff report and presentation discussed in detail the fiscal impact of the proposed Agreement and new services with Recology. The final set of recommended Maximum Rates are shown as Attachment B.

This section supplements the previous report by presenting an analysis of the potential impact of the 6 and 18-month migration adjustments. While it is not possible to predict how residential and commercial customers will react to the new services and maximum rates, staff and our consultant explored this issue with Recology and with municipal Solid Waste Managers who had been through similar service/rate transitions in communities including San Jose, Fremont, Woodland and Santa Cruz County. The consensus was that most customers stay with the carts that are delivered to them at the beginning of the contract, with a small number opting to try a smaller size and recycle more and a small portion of those returning to the originally delivered size after finding out that the smaller size was inconvenient. While there was no specific data available from these sources, all felt that modeling a 10 to 20% migration to the next lowest container size, with 20% of migrators returning to their original container size after the first year, was a reasonable range to consider. Staff also included a 35% migration case just to show the effect of greater than expected migration. Since Recology is planning to deliver containers that most closely resemble the current amounts that Belmont customers dispose of, the migration levels are expected to be fairly low.

Based on this input we developed a rate impact projection based on four cases:

1. No migration,
2. Low migration- defined as 10% of all residential and commercial customers initially move to the next lowest cart/bin size at the 6 month point; and 20% of migrators return to the original level of service by the 18 month point, and
3. Modest migration- defined as 20% of all residential and commercial customers initially move to the next lowest cart/bin size at the 6-month point; and 20% of migrators return to the original level of service by the 18-month point.
4. Large migration- defined as 35% of all residential and commercial customers initially move to the next lowest cart/bin size at the 6-month point; and 20% of migrators return to the original level of service by the 18-month point.

The results of this analysis, for the most popular residential (32 gallon), commercial cart (32 gallon collected once per week) and commercial bin (1 yard collected once per week) customer's rates, are summarized in the Table below. This analysis assumes that all other rate adjustment factors yield a 3% annual increase.

| Migration Sensitivity Analysis | | | | | | | |
|--|-------------|----------|----------|----------|----------|---------------|--------------------------|
| | Year 1 | Year 2 | Year 3 | Year 5 | Year 10 | 10 Year Costs | 10 Year Rate Implication |
| | (per month) | | | | | | |
| Residential (32 gallon collected weekly) | | | | | | | |
| No Migration (base rate) | \$25.12 | \$25.87 | \$26.65 | \$28.27 | \$32.78 | \$3,456 | |
| 10% Migration | \$25.12 | \$26.64 | \$27.24 | \$28.90 | \$33.50 | \$3,528 | \$72 |
| 20% Migration | \$25.12 | \$27.36 | \$27.75 | \$29.44 | \$34.13 | \$3,591 | \$135 |
| 35% Migration | \$25.12 | \$28.43 | \$28.47 | \$30.20 | \$35.01 | \$3,680 | \$224 |
| Commercial Carts (32 gallon collected once per week) | | | | | | | |
| No Migration (base rate) | \$30.45 | \$31.36 | \$32.30 | \$34.27 | \$39.73 | \$4,189 | |
| 10% Migration | \$30.45 | \$32.30 | \$33.02 | \$35.03 | \$40.61 | \$4,276 | \$87 |
| 20% Migration | \$30.45 | \$33.16 | \$33.64 | \$35.68 | \$41.37 | \$4,353 | \$164 |
| 35% Migration | \$30.45 | \$34.47 | \$34.51 | \$36.81 | \$42.54 | \$4,461 | \$272 |
| Commercial Bins (1 yd bin collected once per week) | | | | | | | |
| No Migration (base rate) | \$142.74 | \$147.02 | \$151.43 | \$160.66 | \$186.24 | \$19,636 | |
| 10% Migration | \$142.74 | \$151.40 | \$154.78 | \$164.20 | \$190.36 | \$20,046 | \$410 |
| 20% Migration | \$142.74 | \$155.46 | \$157.68 | \$167.28 | \$193.92 | \$20,404 | \$768 |
| 35% Migration | \$142.74 | \$161.57 | \$161.75 | \$171.60 | \$198.93 | \$20,912 | \$1,276 |

Public Contact

Staff, our recycling consultant and a Recology representative met with representatives of the Belmont Chamber of Commerce and reviewed the new services available to Belmont businesses and the how their rates would be impacted by the proposed rate changes. Staff clarified that this new program and the proposed “progressive” rate structure is designed to encourage businesses to recycle.

Using the businesses of the three Chamber representatives who attended the meeting as examples, staff illustrated how each one could save money by increasing their recycling levels, with little additional efforts due to the convenience of the recycling program offered by Recology. Staff also explained the extensive public education program which SBWMA and Recology will launch in the later half of 2010 to prepare the customers for the new focus on recycling and the extent of individualized, on-site assistance that Recology will offer to interested business owners.

Recommendation

Staff recommends the adoption of the attached Resolution which:

1. Approves the Franchise Agreement for Collection Services of Recyclable Materials, Organic Materials and Solid Waste with Recology San Mateo County (“Recology” - formerly Norcal Waste Systems of San Mateo County). The attached Resolution allows minor language adjustments to be made by the City Manager, in conjunction with the City Attorney, prior to signing the Agreement and without coming back to Council for approval, and
2. Authorizes the initiation of the informal Proposition 218 process. Hold hearing on July 27, 2010 pursuant to process outlined in Exhibit B of the resolution.

Alternatives

1. Take no action
2. Other as directed by Council
3. Continue to a future meeting

Attachments

- A. Resolution Approving a Franchise Agreement with Recology San Mateo County for Recyclable Materials, Organic Materials and Solid Waste Collection Services, and Setting the Date of a Public Hearing on the Maximum Rate (including Franchise Agreement and supplemental schedules).
- B. Maximum Rates

Respectfully submitted,

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RESOLUTION NO. _____

RESOLUTION APPROVING A FRANCHISE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY FOR RECYCLABLE MATERIALS, ORGANIC MATERIALS AND SOLID WASTE COLLECTION SERVICES, AND SETTING THE DATE OF A PUBLIC HEARING ON THE MAXIMUM RATES CONTAINED THEREIN

WHEREAS, The State of California, through the California Integrated Waste Management Act of 1989, codified at Public Resources Code Section 40000, et seq. (the “Act”), found and declared that the amount of solid waste generated in California, coupled with diminishing landfill space and potential adverse environmental impacts from landfill disposal, has created a need for state and local agencies to enact and implement an aggressive integrated waste management program; and

WHEREAS, The Act directs the California Integrated Waste Management Board and local agencies to promote recycling and to maximize the use of feasible source reduction, recycling and composting options in order to reduce the amount of solid waste that must be disposed in landfills; and

WHEREAS, the South Bayside Waste Management Authority (“Authority”) is a joint powers authority between the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, and San Mateo; the towns of Atherton and Hillsborough; the West Bay Sanitary District; and the County of San Mateo (“Member Agencies”); and

WHEREAS, on October 26, 2006, the Authority Board approved the Collection Services Request for Proposals (RFP) recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the Authority Collection Services RFP process; and,

WHEREAS, the Council approved the Authority Board recommendations to the Member Agencies regarding future services, contract terms and competitive proposal guidelines for the Authority Collection Services RFP process and committed to participate in the Authority Collection Services RFP process; and,

WHEREAS, the Authority issued the Collection Services Request for Proposals on November 1, 2007 soliciting proposals for the collection of recyclable materials, organic materials and solid waste within the jurisdiction of the Authority (“RFP Process”); and

WHEREAS, on March 11, 2008, the Authority received proposals from four (4) companies to provide the collection services described in the RFP; and

WHEREAS, on August 28, 2008, the Authority Board approved the Authority Collection Services RFP Selection Committee recommendation to select Recology San Mateo County (formerly Norcal Waste Systems of San Mateo County) to provide collection services to the entire SBWMA service area; and

WHEREAS, the City conducted an independent Request for Proposal process and concluded that Recology provided the most beneficial Proposal to the City; and

WHEREAS, the services to be provided under the Franchise Agreement have been analyzed pursuant to a Mitigated Negative Declaration (MND) prepared for and approved by the City of San Carlos Planning Commission in July 2008 in connection with a use permit granted to the Authority for the expansion of and improvements to be made to the Shoreway Recycling and Disposal Center. The Council/Board finds that the MND is and remains an adequate environmental document pursuant to CEQA and CEQA Guidelines for the purposes of analysis and consideration of the Franchise Agreement; and

WHEREAS, the City Council now desires to enter into the Franchise Agreement; and

WHEREAS, the Franchise Agreement sets Maximum Rates that Recology may charge its customers, and the City Council desires to conduct proceedings to consider such Maximum Rates.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont finds, orders and determines as follows:

- Section 1. The City Council hereby approves the Franchise Agreement with Recology San Mateo County for Recyclable Materials, Organic Materials, and Solid Waste Collection Services ("Agreement") attached as **Exhibit A** hereto. The City Manager is hereby authorized and directed to execute the Agreement in substantially the form presented at this meeting with such non-substantive additions, clarifications and other changes as the City Manager deems necessary or advisable after consultation with the City Legal Counsel.
- Section 2. On July 27, 2010, at 7:30 PM or as soon thereafter as may be practicable in the City Council Chambers located at One Twin Pines Lane, the City Council will hold a public hearing compliant with the requirements of Section 6 of Article XIID of the California Constitution with respect to the proposed Maximum Rates. At this hearing, all interested persons will be permitted to present oral and written testimony with respect to the proposed schedule. Staff is directed to mail notice of this hearing, in the manner set forth in Section 6 of Article XIID of the California Constitution, to each solid waste customer of the current franchised hauler.

Section 3. The City will accept and tabulate protests against the proposed schedule pursuant to the procedures set forth in **Exhibit B** hereto.

Section 4. Although, in the interest of public participation, the City Council has determined to conduct notice, protest and hearing proceedings in the manner set forth in Section 6 of Article XIID of the California Constitution, nothing in this resolution shall be interpreted as a finding, determination, or admission by the City Council that the provisions of that section of the California Constitution apply to the establishment of the Maximum Rates.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on April 13, 2010 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

EXHIBIT B

GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS

SOLID WASTE FEES

Submission of Protests

1. Any property owner or solid waste customer may submit a written protest to the City Clerk, either by delivery to the office of the City Clerk or by submitting the protest at the public hearing. Protests must be received by the end of the public hearing. No postmarks will be accepted.
2. Each protest must identify the affected property (by assessor's parcel number or street address) and include the signature of the record property owner or solid waste customer. Email protests cannot be accepted. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a writing, the City Council welcomes input from the community during the public hearing on the proposed fees.
3. If a parcel served by the City is owned by more than a single record owner or customer, each owner or customer may submit a protest, but only one protest will be counted per parcel and any one protest submitted in accordance with these rules will be sufficient to count as a protest for that property.
4. In order to be valid a protest must bear the original signature of the record owner or customer with respect to the property identified on the protest. Protests not bearing the original signature of a record owner or customer shall not be counted.
5. Any person who submits a protest may withdraw it by submitting to the City Clerk a writing request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the record owner or record customer who submitted both the protest and the request that it be withdrawn.
6. A fee protest proceeding is not an election.
7. To ensure transparency and accountability in the fee protest tabulation, protests shall constitute disclosable public records from and after the time they are received.

Tabulation of Protests.

1. The City Clerk shall determine the validity of all protests. The City Clerk shall not accept as valid any protest if the City Clerk determines that any of the following conditions exist:

- a. The protest does not identify a property served by the City.
 - b. The protest does not bear an original signature of a record owner of the parcel identified on the protest or of the customer on the parcel.
 - c. The protest does not state its opposition to the proposed fees.
 - d. The protest was not received by the City Clerk before the close of the public hearing on the proposed fees.
 - e. A request to withdraw the protest is received prior to the close of the public hearing on the proposed fees.
3. The City Clerk's decision that a protest is not valid or does not apply to a specific fee shall constitute a final action of the City and shall not be subject to any internal appeal.
4. A majority protest exists if written protests are timely submitted and not withdrawn by the record owners of a majority of the properties subject to the proposed fee.
5. At the conclusion of the public hearing, the City Clerk shall complete the tabulation of all protests received, including those received during the public hearing and shall report the results of the tabulation to the City Council upon completion. If review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the City with respect to the fee which is the subject of the protest, then the Clerk may advise the City Council of the absence of a majority protest without determining the validity of all protests.

Proposed Maximum Rate Schedule
Effective January 1, 2011 through December 31, 2011

Based on:

| Monthly Cart Charge | Residential | Commercial | |
|---------------------------------|-------------|------------|-----------|
| 20-gallon Cart for Solid Waste* | \$0.00 | N/A | per month |
| 32-gallon Cart for Solid Waste* | \$1.00 | \$2.00 | per month |
| 64-gallon Cart for Solid Waste* | \$2.00 | \$4.00 | per month |
| 96-gallon Cart for Solid Waste* | \$3.00 | \$6.00 | per month |

**Includes new recycling, organics and Garbage carts for residential and one new recycling and Garbage cart for commercial customers*

2009 HHW Rate of:

Single Family Dwelling (SFD) \$0.45 SFD/Month
(MFU) \$0.20 MFU/Month

Assumed SBWMA rates of:

Garbage Disposal \$83.86 Per ton (including County surcharge)
Organics Processing \$69.50/ton Per ton

| RESIDENTIAL CARTS | Census* | Proposed January 1, 2011 Rate | July 1, 2010 Rate | Increase | Attributable to County Increase |
|--------------------------------|---------|-------------------------------------|----------------------|----------|------------------------------------|
| 20-gallon Cart for Solid Waste | 433 | \$15.17 | \$14.54 | 4.34% | \$ - |
| 32-gallon Cart for Solid Waste | 3908 | \$25.12 | \$23.26 | 8.01% | \$ 0.23 |
| 64-gallon Cart for Solid Waste | 1952 | \$55.35 | \$47.57 | 16.35% | \$ 0.47 |
| 96-gallon Cart for Solid Waste | 159 | \$89.48 | \$72.20 | 23.94% | \$ 0.93 |

Total SFD Units Assumed 6452

**Residential Census (as number of customers) based on data*

| COMPACTOR | Census* | Proposed January 1, 2011 Rate | July 1, 2010 Rate | Increase |
|-------------------------|----------------|--|------------------------------|-----------------|
| Per Yard Pulled Monthly | 200 | \$79.30 | \$66.09 | 19.99% |

* Monthly yardage data supplied by Allied Waste December, 2009

| COMMERCIAL CARTS | # of Carts in Service | Proposed January 1, 2011 Rate | July 1, 2010 Rate | Increase | Commercial Cart Charge |
|---|----------------------------------|--|------------------------------|-----------------|-----------------------------------|
| Each 20-gallon Cart for Solid Waste, 1 pickup per week | 0 | \$27.41 | N/A | N/A | \$2.00 |
| Each 20-gallon Cart for Solid Waste, 2 pickups per week | 0 | \$56.38 | N/A | N/A | \$2.00 |
| Each 20-gallon Cart for Solid Waste, 3 pickups per week | 0 | \$83.93 | N/A | N/A | \$2.00 |
| Each 20-gallon Cart for Solid Waste, 4 pickups per week | 0 | \$115.25 | N/A | N/A | \$2.00 |
| Each 20-gallon Cart for Solid Waste, 5 pickups per week | 0 | \$145.81 | N/A | N/A | \$2.00 |
| Each 20-gallon Cart for Solid Waste, 6 pickups per week | 0 | \$182.46 | N/A | N/A | \$2.00 |
| Each 20-gallon Cart for Solid Waste, 7 pickups per week | 0 | \$222.26 | N/A | N/A | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 1 pickup per week | 269 | \$30.45 | \$23.26 | 30.9% | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 2 pickups per week | 38 | \$62.65 | \$48.63 | 28.8% | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 3 pickups per week | 0 | \$93.25 | \$76.13 | 22.5% | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 4 pickups per week | 0 | \$128.06 | \$105.72 | 21.1% | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 5 pickups per week | 5 | \$162.02 | \$137.45 | 17.9% | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 6 pickups per week | 0 | \$202.73 | \$171.27 | 18.4% | \$2.00 |
| Each 32-gallon Cart for Solid Waste, 7 pickups per week | 0 | \$246.95 | \$203.52 | 21.3% | \$2.00 |
| Each 64-gallon Cart for Solid Waste, 1 pickup per week | 20 | \$58.87 | \$47.57 | 23.7% | \$4.00 |
| Each 64-gallon Cart for Solid Waste, 2 pickups per week | 10 | \$118.75 | \$101.51 | 17.0% | \$4.00 |
| Each 64-gallon Cart for Solid Waste, 3 pickups per week | 0 | \$180.17 | \$161.76 | 11.4% | \$4.00 |
| Each 64-gallon Cart for Solid Waste, 4 pickups per week | 0 | \$242.27 | \$219.92 | 10.2% | \$4.00 |
| Each 64-gallon Cart for Solid Waste, 5 pickups per week | 0 | \$307.96 | \$280.19 | 9.9% | \$4.00 |
| Each 64-gallon Cart for Solid Waste, 6 pickups per week | 0 | \$375.26 | \$342.56 | 9.5% | \$4.00 |
| Each 64-gallon Cart for Solid Waste, 7 pickups per week | 0 | \$439.32 | \$407.07 | 7.9% | \$4.00 |
| Each 96-gallon Cart for Solid Waste, 1 pickup per week | 194 | \$85.07 | \$72.20 | 17.8% | \$6.00 |
| Each 96-gallon Cart for Solid Waste, 2 pickups per week | 92 | \$174.23 | \$156.95 | 11.0% | \$6.00 |
| Each 96-gallon Cart for Solid Waste, 3 pickups per week | 80 | \$264.42 | \$240.12 | 10.1% | \$6.00 |
| Each 96-gallon Cart for Solid Waste, 4 pickups per week | 2 | \$357.67 | \$326.44 | 9.6% | \$6.00 |
| Each 96-gallon Cart for Solid Waste, 5 pickups per week | 0 | \$452.20 | \$415.90 | 8.7% | \$6.00 |
| Each 96-gallon Cart for Solid Waste, 6 pickups per week | 0 | \$569.23 | \$508.50 | 11.9% | \$6.00 |
| Each 96-gallon Cart for Solid Waste, 7 pickups per week | 0 | \$664.09 | \$604.23 | 9.9% | \$6.00 |
| Total Carts in Service | 710 | | | | |

* Cart/ lift data supplied by Allied Waste December, 2009

| COMMERCIAL BINS | # of Bins In Service | Proposed January 1, 2011 Rate | July 1, 2010 Rate | Increase |
|------------------------------|-----------------------------|--|------------------------------|-----------------|
| 1-CY bin, 1 pickup per week | 53 | \$142.74 | \$111.52 | 28.0% |
| 1-CY bin, 2 pickups per week | 16 | \$290.59 | \$226.33 | 28.4% |
| 1-CY bin, 3 pickups per week | 12 | \$441.00 | \$344.45 | 28.0% |
| 1-CY bin, 4 pickups per week | 2 | \$593.15 | \$465.87 | 27.3% |
| 1-CY bin, 5 pickups per week | 2 | \$746.53 | \$590.61 | 26.4% |
| 1-CY bin, 6 pickups per week | 0 | \$931.70 | \$723.59 | 28.8% |
| 1-CY bin, 7 pickups per week | 0 | \$1,099.29 | \$855.75 | 28.5% |
| 2-CY bin, 1 pickup per week | 34 | \$287.12 | \$223.04 | 28.7% |
| 2-CY bin, 2 pickups per week | 11 | \$578.94 | \$452.65 | 18.6% |
| 2-CY bin, 3 pickups per week | 26 | \$873.52 | \$693.86 | 25.9% |
| 2-CY bin, 4 pickups per week | 5 | \$1,170.25 | \$938.36 | 24.7% |
| 2-CY bin, 5 pickups per week | 7 | \$1,471.17 | \$1,189.48 | 23.7% |
| 2-CY bin, 6 pickups per week | 1 | \$1,736.82 | \$1,447.19 | 20.0% |
| 2-CY bin, 7 pickups per week | 0 | \$2,056.96 | \$1,711.52 | 20.2% |
| 3-CY bin, 1 pickup per week | 23 | \$433.03 | \$334.54 | 29.4% |
| 3-CY bin, 2 pickups per week | 18 | \$871.27 | \$683.95 | 27.4% |
| 3-CY bin, 3 pickups per week | 9 | \$1,312.07 | \$1,040.79 | 26.1% |
| 3-CY bin, 4 pickups per week | 1 | \$1,754.20 | \$1,407.53 | 24.6% |
| 3-CY bin, 5 pickups per week | 6 | \$2,197.86 | \$1,784.21 | 23.2% |
| 3-CY bin, 6 pickups per week | 1 | \$2,668.11 | \$2,185.65 | 22.1% |
| 3-CY bin, 7 pickups per week | 1 | \$3,141.63 | \$2,584.63 | 21.6% |
| 4-CY bin, 1 pickup per week | 4 | \$591.11 | \$446.04 | 32.5% |
| 4-CY bin, 2 pickup per week | 2 | \$1,192.44 | \$911.93 | 30.8% |
| 4-CY bin, 3 pickups per week | 3 | \$1,793.77 | \$1,387.71 | 29.3% |
| 4-CY bin, 4 pickups per week | 1 | \$2,401.95 | \$1,889.94 | 27.1% |
| 4-CY bin, 5 pickups per week | 1 | \$3,012.69 | \$2,395.46 | 25.8% |
| 4-CY bin, 6 pickups per week | 0 | \$3,648.79 | \$2,914.20 | 25.2% |
| 4-CY bin, 7 pickups per week | 0 | \$4,298.18 | \$3,469.29 | 23.9% |
| 6-CY bin, 1 pickup per week | 4 | \$909.10 | \$674.03 | 34.9% |
| 6-CY bin, 2 pickups per week | 3 | \$1,843.77 | \$1,367.89 | 34.8% |
| 6-CY bin, 3 pickups per week | 4 | \$2,771.49 | \$2,096.44 | 32.2% |
| 6-CY bin, 4 pickups per week | 1 | \$3,691.33 | \$2,834.92 | 30.2% |
| 6-CY bin, 5 pickups per week | 2 | \$4,624.26 | \$3,617.97 | 27.8% |
| 6-CY bin, 6 pickups per week | 0 | \$5,590.31 | \$4,430.77 | 26.2% |
| 6-CY bin, 7 pickups per week | 0 | \$6,547.58 | \$5,238.62 | 25.0% |
| Total Bins in Service | 253 | | | |

* Bin/lift data supplied by Allied Waste December, 2009

| MFD HHW Revenue | # of MFU's | Proposed January 1, 2011 Rate | July 1, 2010 Rate | Increase |
|------------------------|-------------------|--|------------------------------|-----------------|
| | 4,001 | \$0.28 | \$0.20 | 40.3% |